



Chief Executives Board for Coordination

7 March 2022

Report of the High-level Committee on Programmes on its virtual consultation on Progress Beyond GDP

(Intersessional virtual meeting, 18 February 2022)

1. The High-level Committee on Programmes (HLCP) of the United Nations System Chief Executives Board for Coordination (CEB) held an intersessional meeting dedicated to discussing progress beyond gross domestic product (GDP) in a virtual format on 18 February 2022. The list of participants is contained in annex I to the present report.
2. Opening the meeting, the Chair of the Committee, Director-General of the International Labour Organization (ILO), Guy Ryder, welcomed HLCP members and guests, and thanked the co-leads and members of the HLCP Core Group on Beyond GDP for their work and for the preparation of the draft concept note that was before the Committee for approval.
3. The Chair recalled that CEB had seen the potential for the Committee to provide leadership and coherence on Beyond GDP at its November 2021 meeting, and subsequently had tasked HLCP to develop a system-wide contribution on Beyond GDP by the beginning of the third quarter of 2022. Given the multiple challenges of environmental crises, including climate change, extreme and worsening inequalities, rapid digital transformation and two years of a global pandemic, the Chair also recalled that there was a window of opportunity to seize the momentum for change. He emphasized that the Secretary-General and other members of CEB had advocated for metrics to take into consideration what had traditionally been left out of GDP, such as unpriced or mispriced goods, services and assets such as informal work; “free” digital services and natural assets; as well as dimensions such as vulnerability, risks and inequalities.
4. Noting that Member States had shown significant interest and support for measures beyond GDP, the Chair underlined that the work under the Committee was not aimed at substituting or displacing intergovernmental work on progress beyond GDP, work around the Multidimensional Vulnerability Index or work of the United Nations Statistical Commission, but at pulling together the best thinking within the United Nations system to allow the Secretary-General to use his good offices in support of these and other efforts. The Chair encouraged members to approach the

issue holistically and in an integrated and collective manner, while recognizing that it would not be possible to address all issues prior to the delivery of the input in July 2022 and that, therefore, restraint, discipline and focus would also be required to achieve the ambitious objective in front of the Committee.

5. In this context, the Chair also reminded members that the 2030 Agenda for Sustainable Development, as well as the Our Common Agenda report, both referenced the need for complementary measures to GDP, and that the work of the Committee aimed to support both.

6. The Chair invited the Under-Secretary-General for Policy in the Executive Office of the Secretary-General, Volker Türk, to convey the expectations of the Secretary-General in relation to this work and provide the Committee with an overview of how the Beyond GDP efforts linked with Our Common Agenda.

7. Mr. Türk welcomed the discussion around Beyond GDP and highlighted its relevance by reminding members that the topic was included in the proposal for a renewed social contract in Our Common Agenda and that it remained one area of the Sustainable Development Goals (Target 17.19) where further action was needed. He noted that the Our Common Agenda consultations, convened by the President of the General Assembly, had received support from Member States for tackling the issue of Beyond GDP. Member States had stressed the need for the work on Beyond GDP to take into account existing indices and indicators such as the System of Environmental Economic Accounting, the Human Development Index, and the Multidimensional Vulnerability Index; and also flagged limitations of data capabilities and capacity-building requirements of developing countries.

8. Noting the need to embed the Beyond GDP process into the broader work of the United Nations system, the Under-Secretary-General identified the proposed Summit of the Future (projected for September 2023) as a possible platform for the global political leadership to build and act upon the work of the Beyond GDP process. Mr. Türk reiterated that the Committee should focus on political messaging that conveyed the desired direction of travel and broad contours of Beyond GDP, which he hoped could be reflected in the outcome document, and to leave the technical issues, especially with respect to statistics, to the appropriate processes. He encouraged members to seize the current momentum, as he felt that the topic of Beyond GDP was a key element of the twenty-first century and that it could be a signature outcome for the Summit of the Future.

9. The Chair thanked Mr. Türk for his intervention and the important guidance on the substantive nature of the work. He introduced the co-leads, Mr. Stefan Schweinfest, Director, Statistics Division, United Nations Department of Economic and Social Affairs (DESA); Ms. Chantal Line Carpentier, Chief of the United Nations Conference on Trade and Development (UNCTAD) New York Office of the Secretary General; and Mr. George Gray, Chief Economist, United Nations Development Programme (UNDP) and invited them to present the concept note, moderate and summarize the discussion.

10. On behalf of the co-leads, Mr. Schweinfest introduced the concept note, which laid out the objectives, scope, outputs, and process, as well as important context for

the Beyond GDP workstream. He highlighted the three building blocks of the system-wide contribution, namely, a narrative, conceptual framework, and set of recommendations; as well as some key areas of inquiry that could inform the draft framework, such as environmental and social externalities, unpriced goods and services, distributional aspects, sustainability, and vulnerability. He also pointed to the need for an institutional reflection on data and its use. Mr. Schweinfest concluded by asking members to take a focused approach, build on existing work by connecting relevant elements and work towards a practical outcome.

11. In the ensuing discussion moderated by Ms. Carpentier, Committee members welcomed the concept note and expressed their readiness to approve it while conveying their diverse interests, entry points and experiences. Many considered the issue of Beyond GDP to be important to their organizational mandates and work and found the proposed approach to be supportive of the Sustainable Development Goals and Our Common Agenda report. The complementarity of this effort with some of HLCP's other workstreams, such as on inequalities, was noted.

12. It was clarified that the outputs identified in the concept note were to be delivered to the Secretary-General to support his engagement with Member States. The outputs would be important to shifting the policy dialogue; in this context, it was promising that Resident Coordinators had already been seeing demand from governments to engage on Beyond GDP. In order to inform future policy directions, it was seen as important to frame the key messages to ensure they were useful for policymakers. It was also suggested that the narrative could benefit from the inclusion of case studies on countries using existing instruments, such as the Multidimensional Poverty Index, for policy purposes.

13. The proposed process to deliver the system-wide input outlined in the concept note clearly laid out the next steps and provided precise directions to the Core Group. Many members committed to actively engage in and support the process at both the policy and technical levels. The opportunity to bring in different organizational assets, ranging from data and analysis to policy and programmatic expertise, was appreciated. Through its co-chair, the Committee on Chief Statisticians of the United Nations system confirmed its readiness to support the initiative both in terms of the conceptual debate and measurement. Some HLCP members noted the tight timelines necessitated by the intergovernmental consultations and acknowledged the Chair's call for discipline in order to meet the delivery date set by CEB.

14. Members were encouraged by the support expressed by Member States on Beyond GDP in the context of the informal consultations on Our Common Agenda. The Summit of the Future presented a valuable political opportunity to advocate for measurements to promote inclusive and sustainable growth and prosperity. It was an appropriate and potentially transformative platform to bring together the United Nations system's collective experience and provide trusted input for Member States' consideration. Members agreed that the United Nations system needed to produce a contribution that was ambitious yet could still secure intergovernmental support.

15. The Committee was unanimous in its agreement that there were shortcomings of GDP and supported the need to go beyond GDP to better capture progress and well-being, including all dimensions of sustainable development. Members also

supported seizing the window of opportunity arising from the present moment to shift the paradigm around GDP. This included understanding the reasons why GDP remained so ubiquitous in its use despite well-known limitations. It was also suggested that to go beyond the GDP paradigm, it would be important to consider the utility of measures for policymakers. Members agreed that in order for Beyond GDP to be impactful and support sustainable development, it needed to be useful for policymakers while inclusive of all dimensions of sustainable development.

16. Although many issues were viewed as interconnected and important for sustainable development, members emphasized the need to be focused and disciplined in the development of Beyond GDP to ensure that it was realistic. The initial discussion touched on a diverse range of issues, including children and future generations, culture, decent work, digital, dignity, education, economic, social and environmental sustainability, gender, human rights, hunger, food insecurity and malnutrition, health, inclusive wealth, inequalities, justice, migration, natural capital, population dynamics, political violence, rural livelihoods and poverty, safety, social protection, vulnerabilities and risks, and unpaid and informal work.

17. At a foundational level, the question of what GDP is for was raised as one that needed to be deliberated on to inform the work of the Core Group. The descriptive and technical nature of GDP was acknowledged, however it was also noted that statistics did not only measure reality but also shaped it. Members acknowledged the practical dimension of GDP and its utility in different contexts, however, members also raised the normative dimension of how GDP was used and how it impacted the underlying structure of the economy as well as society and the environment. Differing approaches of reforming, replacing, or complementing GDP were suggested. Members discussed the significant influence GDP had on the incentives of policymakers to discount issues such as climate change, inequalities, and vulnerabilities, and stressed that Beyond GDP needed to be proactive, forward-looking and ambitious, but also practical.

18. The representation of metrics was one element where different views were expressed. Some members supported the approach of an index consisting of composites of other measures so that it resulted in one number that conferred a level of simplicity that is useful for advocacy. Other members viewed a dashboard consisting of different indicators as more appropriate on the basis that trade-offs may be obscured in an index and in some cases trade-offs may not be appropriate across different indicators. It was acknowledged that the SDGs were developed in part to go beyond GDP because of its limitations and used a dashboard approach with many indicators, while the Human Development Index, Multidimensional Poverty Index and the proposed Multidimensional Vulnerability Index are indices, and Beyond GDP could learn from the experiences of these and other alternative measures. Members agreed that Beyond GDP would be linked to SDG indicators and other indices, as well as the System of Environmental-Economic Accounting adopted by the United Nations Statistical Commission.

19. In discussing Beyond GDP, members highlighted existing measurements that could be leveraged, especially with regards to stocks to complement GDP which is a measure of flows. This included the measurements of physical, natural and human capital through measures such as inclusive wealth which is a forward looking

measure capturing the productive base of an economy. It was also suggested that shadow prices or social costs could be factored into Beyond GDP. However, members also identified important elements that were not easily measured, where methodologies were not universally accepted, or where measurements could be made but it would not be appropriate to convert them into a market value. In measurements, the issue of disaggregation was raised, as well as the need for comparability across jurisdictions and time. As societies and economies evolved, such measures may need to be dynamic or be regularly updated. To support Member States in efforts to develop measures beyond GDP, capacity development in measurements and statistics was a key area where the United Nations system could contribute.

20. Beyond measurements itself, members emphasized the link between Beyond GDP and public policymaking. The Committee viewed its work as bringing expertise from across the system to better enable the United Nations system to support Member States in measuring progress beyond GDP, and that the decision of Member States was crucial in any future developments of Beyond GDP. Members also understood there were concerns expressed by Member States on the sole use of GDP to determine access to concessional finance for sustainable development. At the national level, buy-in from policymakers was important to be able to accurately inform policy decisions, with members noting that buy-in was dependent on the utility of Beyond GDP for users. Members reflected on the importance of addressing externalities and what had been excluded from GDP so that new measures aligned incentives correctly.

21. In summary, Mr. Gray from UNDP viewed the discussions on Beyond GDP through three lenses: the question of what to measure, how to measure and present the measurements, and the policy questions of how the measures would be used. With regards to what to measure, there continued to be conceptual questions that would be worked on in the Core Group. On how to measure and represent Beyond GDP, there were lessons that could be learned from existing indices and dashboards. On how measures were used, it was important to understand the reasons that GDP continued to be used today as well as to consider use cases of Beyond GDP. Mr. Gray noted the strong motivation of the United Nations system to support Member States in this regard and acknowledged that much experience existed within the system that could be leveraged. The process to develop the outputs would continue with the Core Group until July 2022. After HLCP consideration and approval, the deliverables would be transmitted to CEB. The Secretary-General would subsequently socialize the concept with Member States appropriately.

22. The Chair thanked Mr. Schweinfest, Ms. Carpentier, and Mr. Gray for their presentations and skilful moderation and thanked the Core Group and Committee members for a fruitful deliberation on the topic. The Chair requested the Core Group to take note of the discussions in furthering their work on Beyond GDP. Members who wished to participate in the drafting of the deliverables were encouraged to contact the Secretariat. The Chair noted that it was important to maintain an internal space for the United Nations system to deliberate on this complex topic until July 2020 and urged members to be realistic, disciplined and focused in their approach. In considering the task that laid before the Committee, to produce a system-wide contribution on Beyond GDP, the Chair observed that it was not the beauty of the construct but the utility of the product and the extent it would be used by

policymakers that would distinguish the HLCP-produced contribution on Beyond GDP and enable it to have transformational impact.

Conclusion

23. The Committee approved the concept note on Progress Beyond GDP and decided to include the topic on the agenda of its forty-third session (31 March – 1 April 2022).

Annex I

List of Participants

Chair: **Mr. Guy Ryder** (ILO)
Secretary: **Ms. Maaike Jansen**

<u>Organizations</u>	<u>Name</u>
EOSG	Mr. Volker Türk
	Ms. Hanna Grahn
EOSG-SDU	Ms. Michelle Gyles-McDonnough
	Ms. Aditi Hate
	Ms. Julie Morizet
DCO	Mr. Arun Jacob
	Ms. Katarina Kuai
DESA	Ms. Marion Barthelemy
	Ms. Leslie Wade
	Ms. Xenia von Lilien
	Mr. Stefan Schweinfest (Co-lead)
DPPA	Ms. Teresa Whitfield
	Mr. Renato Mariani
PBSO	Mr. Henk-Jan Brinkman
OCHA	Mr. Murad Jeridi
OHCHR	Mr. Craig Mokhiber
REGIONAL COMMISSIONS	Ms. Rosa Malango
	Ms. Maria Yera Ortiz De Urbina Rodriguez
	Ms. Alicia Barcena (Co-lead Observer)

ESCAP	Ms. Rachael Beaven (Core Group)
ILO	Ms. Margaret Mottaz-Shilliday
FAO	Ms. Beth Crawford
	Mr. Lucas Tavares
UNESCO	Mr. Jean-Yves Le Saux
WHO	Mr. Stephen MacFeely (Core Group, ex officio)
World Bank Group	Ms. Stefanie Onder (Core Group)
IMF	Mr. Robert Powell (Core Group)
ITU	Mr. Thierry Geiger
IMO	Ms. Azara Al-Hassan Prempeh
IFAD	Ms. Joanna Veltri
UNIDO	Ms. Tsung-Ping Chung
UNWTO	Ms. Clara Van Der Pol
IAEA	Mr. Nuno Luzio
	Ms. Camilla Scott-Todd
IOM	Mr. Ashraf El Nour
	Ms. Neha Sinha
UNCTAD	Mr. Paul Akiwumi
	Ms. Chantal Line Carpentier (Co-lead)
	Mr. Mussie Delelegn (Co-lead)
	Ms. Anu Peltola (Co-lead)
UNDP	Mr. Haoliang Xu
	Mr. Umberto Labate
	Mr. George Gray Molina (Co-lead)

UNEP	Ms. Ligia Noronha
	Mr. Nicolas Bertrand (Core Group)
	Mr. Pushpam Kumar (Core Group)
UNHCR	Mr. Raouf Mazou
UNICEF	Mr. Sanjay Wijesekera
	Mr. David Matern
	Mr. Mark Hereward (Core Group)
UNFPA	Ms. Diene Keita
	Ms. Nkeiruka Didigu
WFP	Ms. Valerie Guarnieri
	Mr. Arif Husain
UNODC	Ms. Angela Me (Core Group, ex officio)
UN-Habitat	Mr. Christopher Williams
UN-Women	Ms. Aparna Mehrotra
ITC	Ms. Riefqah Jappie
<u>CEB Secretariat</u>	Ms. Simona Petrova
	Mr. Remo Lalli
	Ms. Federica Pietracci
	Ms. Cheryl Stafford
	Mr. Li Zhou
	Ms. Marije Van Den Berg
	Mr. Simon Vandenbroucke
	Mr. Florian Wintermeyer

Ms. Fabienne Fon Sing